



INCLUSIVE CAPITALISM PROGRESS REPORT 2016-2017

COMMITMENT #1: AIMCo is committed to advocating for financial system stability and reducing systemic risk by engaging with policymakers and regulators.

PROGRESS: During the past year, AIMCo met separately with four provincial securities regulators on the topics of: say-on-pay, gender diversity on boards and climate-related financial disclosure. We formally expressed our support for Bill C-25 with respect to proposals to reform director elections processes and to require disclosure on diversity for directors and senior management at CBCA companies. AIMCo responded to the FSB Task Force Phase I and II consultations on Climate-related Financial Disclosure, and wrote to the SEC to voice our concerns regarding the proposal to dismantle Section 1502 of the Dodd Frank Act with respect to conflict minerals disclosure.

COMMITMENT #2: AIMCo is committed to demonstrating active ownership by engaging, as appropriate, with investee companies to discuss their management of ESG factors and pursuit of sustainable business operations.

PROGRESS: AIMCo responded to all companies that reached out to us on proxy voting matters during the year. We proactively reached out to investee companies on issues in our ESG focus areas of climate change, worker safety across the supply chain, shareholder rights and women on boards. We presented to Retail Council of Canada on supply chain risk, and embarked on a letter campaign encouraging board gender diversity and pay for performance at North American issuers.

COMMITMENT #3: AIMCo is committed to advocating for more inclusive and diverse boards, and will continue to encourage companies to pursue diversity and disclose their processes to promote gender diversity on boards and in executive leadership positions.

PROGRESS: AIMCo's CEO, Kevin Uebelein, became a member of the 30% Club Canada in 2016, which encourages 30% representation of women on Canadian issuer boards by 2022. AIMCo revised our proxy voting guidelines in May 2017 to generally vote against or withhold from the chair of the nominating committee in developed country markets which have zero women on their board. We reached out to 10 companies over the last year to discuss how they plan to address board gender diversity. We endorsed the Alberta Securities Commission's support of NI 58-101, which requests issuers to disclose their processes to recruit women on boards and into executive officer positions. The AIMCo board of directors appointed two female directors in June 2017, bringing the total representation of women on AIMCo's board to 36%, moving us toward our objective of gender parity.